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Restaurant owners charged for underreporting sales

Owners agree to pay nearly \$143,000 in restitution to the state

(Indianapolis, Ind.) Marion County Prosecutor Terry Curry and Indiana Department of Revenue Commissioner Adam Krupp announced today that two owners of Central Indiana restaurants have been charged with Theft for their alleged failure to collect and remit taxes to the state. Manuel Rodriquez Alonso and Rosalio Sanchez are accused of underreporting an estimated \$1.8 million in sales at six restaurants located in Central Indiana. The defendants have agreed to plead guilty to criminal charges and to pay nearly \$143,000 in restitution to the Indiana Department of Revenue.

"We have previously prosecuted a separate restaurant chain for underreporting an estimated \$22.7 million in sales, at which time we stated that restaurant owners should be on notice that they will be investigated and prosecuted if they persist in skimming cash sales in order to avoid their sales tax obligation," Prosecutor Curry said. "The defendants charged today did not heed that warning, so we reiterate today that restaurant owners are put on notice that you will be prosecuted if you engage in this criminal conduct."

"Businesses that fail to remit the full amount of taxes due are not only neglecting their responsibility as members of their community, they are gaining unfair advantage over those businesses which play by the rules," said Department of Revenue Commissioner Adam Krupp. "The department will continue to cooperate with investigations that ensure taxpayers pay their fair share."

Sanchez has agreed to plead guilty as charged to six counts of Theft (Level 6 and D Felonies). Alonso has agreed to plead guilty as charged to three counts of Theft (Level 6 and D Felonies).

In February 2015, the Marion County Prosecutor's Office Grand Jury Division and the Indiana Department of Revenue began a joint investigation into the business practices of six Central Indiana restaurants located in Delaware, Grant, and Marion counties.

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According to the probable cause affidavit filed in the case, an analysis completed on the restaurants' sales for 2013 through 2015 estimated that more than \$1.8 of the sales were not reported to the state. Evidence uncovered in the course of the investigation demonstrated that defendants engaged in a number of methods to conceal and thus underreport cash sales. For example, a review of one restaurant's sales register records revealed that the drawer was opened more than 3,200 times in one day; however, 29 percent of the time it was opened without a sale being recorded.

In conjunction with execution of search warrants in this investigation, the Marion County Prosecutor's Office seized \$247,410.95 in cash and bank accounts for possible forfeiture. The defendants have agreed that \$142,930.66 of the funds will be paid as restitution to the Indiana Department of Revenue for unpaid sales tax and unpaid food and beverage tax. A separate civil forfeiture action remains pending in which forfeiture to local law enforcement agencies is sought of the remaining \$104,480.

The cases have been assigned to in Marion County Criminal Court 15. An initial hearing date has not yet been scheduled.

A charge of a crime is merely an accusation, and the defendant is presumed innocent until and unless proven guilty.

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NOTE: The charging documents and probable cause affidavit filed in these cases can be downloaded at:

<https://www.dropbox.com/s/apjp6jsyelro6ze/MAlonsoRSanchez.PC.pdf?dl=0>